

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

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**FINANCIAL STATEMENT  
with  
INDEPENDENT AUDITOR'S REPORT  
and  
OMB CIRCULAR A-133, SINGLE AUDIT REPORTS  
YEAR ENDED JUNE 30, 2013**

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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Unified School District No. 443  
Dodge City, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 443, as of and for the year ended June 30, 2013, and the related notes to the financial statement.

### **Management's Responsibility for the Financial Statement**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note A, the financial statement is prepared by Unified School District No. 443 to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

## **Adverse Opinion of U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 443 as of June 30, 2013, or changes in financial position and cash flows thereof for the year then ended.

## **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 443 as of June 30, 2013, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2013, on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures - actual and budget, individual fund schedules of regulatory basis receipts and expenditures, schedule of regulatory basis receipts, expenditures and unencumbered cash - district activity funds, and the schedule of regulatory basis receipts and disbursements - agency funds (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The schedule of expenditures of federal awards is presented for additional analysis as required by the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

The 2012 Actual columns presented in the individual fund schedules of regulatory basis receipts and expenditures (Schedule 2 as listed in the table of contents) upon which we rendered an unqualified opinion dated November 22, 2013 are also presented for comparative analysis and are not a required part of the 2013 financial statement. The 2012 financial statements and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management and Analysis and Standards at the following link: <http://da.ks.gov/ar/muniserv/>. Such 2012 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2012 financial statements. The 2012 comparative information was subjected to the auditing procedures applied in the audit of the 2012 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2012 financial statements or to the 2012 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2012 comparative information is fairly stated in all material respects in relation to the 2012 financial statements as a whole.

*Kennedy McKee & Company LLP*

November 22, 2013

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES  
AND UNENCUMBERED CASH  
REGULATORY BASIS**

For the Year Ended June 30, 2013

<u>Fund</u>	<u>Beginning unencumbered cash balance (deficit)</u>	<u>Prior year canceled encumbrances</u>	<u>Receipts</u>
General funds:			
General	\$ 778	\$ 1,530	\$ 44,566,320
Supplemental general	742,947	5,063	14,463,753
 Total general funds	 743,725	 6,593	 59,030,073
Special purpose funds:			
Parents as teachers	22,409	-	65,512
Bilingual education	8,974	169	3,148,311
Capital outlay	3,221,335	321,846	3,357,608
Driver training	43,698	-	-
Food service	570,591	2,348	3,817,582
Professional development	353,203	15	200,000
Special education	1,407,691	39	7,000,000
At risk	11,441	-	9,856,752
Virtual education	37,567	-	10,363
Summer school	937,591	-	118,682
Vocational education	563,849	-	1,211,800
KPERS special retirement contribution	-	-	3,850,236
4 year old at risk	4,136	-	285,931
Non-budgeted special purpose funds:			
Coke donation agreement	25,124	58	21,469
Textbook and student materials revolving	778,474	596	255,322
Civic Center	-	-	8,461
Pre-K pilot program	1,187	-	176,588
Kansas early learning collaboration	-	-	73,911
Building blocks grant Jan/Dec 2013	-	-	128,666
NCCEP	14,189	-	-
Gifts and grants	1,275,013	-	592,757
Contingency reserve	3,258,657	-	1,400,584
SAFE	35,742	-	44,175
Special purpose federal grant funds:			
Title I	169	-	1,465,468
Title I migrant	(60,133)	84	1,360,346
Head start	(346,467)	44	1,979,883
Kansas early head start	(148,287)	180	478,648
Program improvement/Carl Perkins 2012-2013	-	-	55,402
Title III english language acquisition	663	-	273,185
Title IIA teacher quality	-	-	248,947
Special purpose other funds:			
Kansas Heritage Center	92,934	-	28,359
District activity funds	394,691	-	631,354
 Total special purpose funds	 12,504,441	 325,379	 42,146,302

<u>Expenditures</u>	<u>Ending unencumbered cash balance (deficit)</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance (deficit)</u>
\$ 44,564,090	\$ 4,538	\$ 179,015	\$ 183,553
<u>14,936,164</u>	<u>275,599</u>	<u>51,209</u>	<u>326,808</u>
<u>59,500,254</u>	<u>280,137</u>	<u>230,224</u>	<u>510,361</u>
65,512	22,409	-	22,409
3,148,695	8,759	757	9,516
3,448,069	3,452,720	1,468,808	4,921,528
-	43,698	-	43,698
3,825,222	565,299	1,050	566,349
268,055	285,163	139	285,302
6,998,849	1,408,881	-	1,408,881
9,856,752	11,441	3,800	15,241
-	47,930	-	47,930
160,439	895,834	-	895,834
1,137,578	638,071	-	638,071
3,850,236	-	-	-
285,931	4,136	-	4,136
16,486	30,165	-	30,165
254,646	779,746	6,778	786,524
7,516	945	-	945
176,588	1,187	2,771	3,958
73,911	-	-	-
19,260	109,406	1,410	110,816
-	14,189	-	14,189
69,632	1,798,138	38,691	1,836,829
202,832	4,456,409	-	4,456,409
42,019	37,898	-	37,898
1,465,637	-	-	-
1,180,592	119,705	18,777	138,482
2,081,829	(448,369)	61,738	(386,631)
453,807	(123,266)	18,999	(104,267)
55,402	-	-	-
273,848	-	925	925
248,947	-	-	-
26,253	95,040	-	95,040
<u>700,913</u>	<u>325,132</u>	<u>-</u>	<u>325,132</u>
<u>40,395,456</u>	<u>14,580,666</u>	<u>1,624,643</u>	<u>16,205,309</u>

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES  
AND UNENCUMBERED CASH (CONTINUED)  
REGULATORY BASIS**

For the Year Ended June 30, 2013

<u>Fund</u>	Beginning unencumbered cash balance (deficit)	Prior year canceled encumbrances	Receipts
Bond and interest funds:			
Special assessment	\$ 24,217	\$ -	\$ 6,246
Bond and interest	2,570,476	-	5,254,628
Certificates of participation P & I 2010	2	-	2,087,700
Certificates of participation P & I 2011	-	-	32,800
	<u>2,594,695</u>	<u>-</u>	<u>7,381,374</u>
Total bond and interest funds			
Capital project fund:			
Construction	174,733	-	195,665
	<u>174,733</u>	<u>-</u>	<u>195,665</u>
Trust fund:			
Marilyn Shipley Children Literacy	4,360	-	586
	<u>4,360</u>	<u>-</u>	<u>586</u>
Total reporting entity (excluding agency funds)	<u>\$ 16,021,954</u>	<u>\$ 331,972</u>	<u>\$ 108,754,000</u>
Composition of cash balance:			
Checking accounts			
Money market accounts			
Certificates of deposit			
State municipal investment pool			
Trust accounts			
Petty cash			
Total cash			
Agency funds			
Total reporting entity (excluding agency funds)			

The notes to the financial statement are an integral part of this statement.

<u>Expenditures</u>	<u>Ending unencumbered cash balance (deficit)</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance (deficit)</u>
\$ 7	\$ 30,456	\$ -	\$ 30,456
5,163,711	2,661,393	-	2,661,393
2,087,700	2	-	2
32,800	-	-	-
<u>7,284,218</u>	<u>2,691,851</u>	<u>-</u>	<u>2,691,851</u>
<u>181,502</u>	<u>188,896</u>	<u>-</u>	<u>188,896</u>
<u>318</u>	<u>4,628</u>	<u>-</u>	<u>4,628</u>
<u>\$ 107,361,748</u>	<u>\$ 17,746,178</u>	<u>\$ 1,854,867</u>	<u>\$ 19,601,045</u>
			\$ 15,154,457
			571,111
			1,050,000
			1,832,644
			1,223,420
			<u>125</u>
			19,831,757
			<u>(230,712)</u>
			<u>\$ 19,601,045</u>

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

NOTES TO FINANCIAL STATEMENT

June 30, 2013

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the District's financial statement. The financial statement, schedules, and notes are representations of the District's management, which is responsible for their integrity and objectivity.

1. Municipal Financial Reporting Entity

Unified School District No. 443, Dodge City, Kansas is a municipal corporation governed by an elected seven-member board. This financial statement presents only Unified School District No. 443 (the Municipality).

2. Basis of Presentation - Fund Accounting

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the District for the year ended June 30, 2013:

REGULATORY BASIS FUND TYPES

General funds - the chief operating funds. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose funds – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest funds – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Trust fund – used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency funds – used to report assets by the municipal reporting entity in a purely custodial capacity (student organization funds).

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

4. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general funds, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding fiscal year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (Continued)

Amended budgets for 2012-2013 year include the following:

<u>Fund</u>	<u>Original budget</u>	<u>Amended budget</u>
General	\$ 44,088,257	\$ 45,064,261
Bilingual Education	2,930,697	3,148,695
At Risk	9,566,788	9,856,752

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for the certificates of participation funds, capital project fund, trust fund, district activity funds, and the following special purpose funds:

- Coke Donation Agreement
- Textbook and Student Materials Revolving
- Civic Center
- Pre-K Pilot Program
- Kansas Early Learning Collaboration
- Building Blocks Grant Jan/Dec 2013
- NCCEP
- Gifts and Grants
- Contingency Reserve
- SAFE
- Federal Grant Funds
- Kansas Heritage Center

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

5. In-Substance Receipt in Transit

The District received \$5,484,826 subsequent to June 30, 2013 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2013.

## A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 6. Cash and Investments and Restricted Cash

The District pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in interest-bearing deposits and disclosed as part of the District's cash balances. Unless specifically designated, all investment income is credited to funds designated by K.S.A. 10-131, K.S.A. 12-1677 and K.S.A. 72-6427. Investments are recorded at cost.

The cash in the Marilyn Shipley Children Literacy fund is restricted for the purchase of books.

### 7. Ad Valorem Tax Revenue

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraisers annually determine the assessed valuation and the County Clerks spread the annual assessment on the tax rolls. Property taxes are levied by November 1 and a lien for all taxes attaches on that same date until the taxes are paid. One-half of the property taxes is due December 20 and distributed to the District by January 20, and the second half is due May 10 and distributed to the District by June 5. The District Treasurer draws available funds from the County Treasurers at designated times throughout the year.

### 8. Pension Plan

Substantially all full-time employees are members of the State of Kansas Public Employees' Retirement System (KPERs) which is a cost-sharing multiple-employer state-wide pension plan. The State of Kansas pays the District's share of all pension costs accrued; such costs to be funded are determined annually by the system's actuary.

### 9. Estimates

In preparing the financial statement, management is required to make estimates and assumptions that affect the reported amounts and the disclosures at the date of the financial statement. Actual results could differ from those estimates.

## B. COMPLIANCE WITH KANSAS STATUTES

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports, the State Department of Education and legal representatives of the District.

The cash basis law provided by K.S.A. 10-1113 prohibits the expenditures of funds in excess of available cash. Although certain special revenue grant funds overspent their cash balances, according to K.S.A. 12-1664 the District is not prohibited from financing the federal share of a local program from current funds if available.

## C. DEPOSITS AND INVESTMENTS

As of June 30, 2013, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturities</u>	<u>Rating</u>
Kansas Municipal Investment Pool Certificates of Participation Series 2010 and 2011	\$ 1,832,644	See below	AAAf
Funds at Community Foundation of SW Kansas	2	Money market	AAAm
	<u>4,628</u>	Money market	
	<u>\$ 1,837,274</u>		

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds to have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices. The rating of the District's investments is noted above.

*Concentration of credit risk.* Investment types and percents at cost are as follows: Kansas Municipal Investment Pool at 99.74%, the funds at the Community Foundation of Southwest Kansas make up 0.25%, and the Certificates of Participation and Construction Funds make up the remaining 0.01%.

*Custodial credit risk - deposits.* Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas District, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2013.

At June 30, 2013, the District's carrying amount of deposits was \$16,775,567 and the bank balance was \$16,448,324. Of the bank balance, \$935,117 was covered by federal depository insurance and \$15,513,207 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

*Custodial credit risk - investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Municipality will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. At June 30, 2013, all uninsured investments were titled in the name of the District.

At June 30, 2013, the District had invested \$1,832,644 in the State's Municipal Investment Pool. The Municipal Investment Pool is under the oversight of the Pooled Money Investment Board. The Board is comprised of the State Treasurer and four additional members appointed by the State Governor. The Board reports annually to the Kansas Legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

## D. CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

	Project commitments authorized	Cash disbursements and accounts payable to date	Remaining financial commitment
DCHS Track & Field	\$ 1,719,778	\$ 850,675	\$ 869,103
Wilroads Garden HVAC	572,300	425,760	146,540
Miller Electric Upgrade	115,228	64,798	50,430
	<u>\$ 2,407,306</u>	<u>\$ 1,341,233</u>	<u>\$ 1,066,073</u>

## E. LONG-TERM DEBT

Changes in long-term liabilities for the municipal financial reporting entity for the year ended June 30, 2013, were as follows:

Issue	Balance beginning of year	Additions	Reductions/ net change	Balance end of year	Interest paid
General obligation bonds:					
School building bonds - Series 2002 Issued October 1, 2002 In the amount of \$25,580,000 At interest rate of 2.40% to 5.00% Maturing March 1, 2018	\$13,145,000	\$ -	\$12,145,000	\$ 1,000,000	\$ 542,420
School building bonds - Series 2008 Issued February 15, 2008 In the amount of \$22,930,000 At interest rate of 3.00% to 4.00% Maturing September 1, 2018	17,440,000	-	1,395,000	16,045,000	631,056
Refunding bonds - Series 2013 Issued June 1, 2013 In the amount of \$9,405,000 At interest rate of 1.50% to 2.00% Maturing September 1, 2017	-	9,405,000	-	9,405,000	-
Total general obligation bonds	<u>30,585,000</u>	<u>9,405,000</u>	<u>13,540,000</u>	<u>26,450,000</u>	<u>1,173,476</u>
Certificates of participation:					
Middle School Renovations – Series 2010 Issued February 18, 2010 In the amount of \$5,575,000 At interest rate of 2.00% to 2.30% Maturing June 1, 2014	3,735,000	-	2,020,000	1,715,000	66,700
Comanche Renovations – Series 2011 Issued November 1, 2011 In the amount of \$3,130,000 At interest rate of 1.00% Maturing December 1, 2015	3,130,000	-	-	3,130,000	31,300
Total certificates of participation	<u>6,865,000</u>	<u>-</u>	<u>2,020,000</u>	<u>4,845,000</u>	<u>98,000</u>
Total long-term debt	<u>\$37,450,000</u>	<u>\$ 9,405,000</u>	<u>\$15,560,000</u>	<u>\$31,295,000</u>	<u>\$ 1,271,476</u>

E. LONG-TERM DEBT (CONTINUED)

Current maturities of general obligation bonds and interest through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2014	\$ 4,240,000	\$ 921,066	\$ 5,161,066
2015	4,530,000	643,050	5,173,050
2016	4,635,000	528,900	5,163,900
2017	4,760,000	402,750	5,162,750
2018	4,320,000	239,000	4,559,000
2019	<u>3,965,000</u>	<u>79,300</u>	<u>4,044,300</u>
Total	<u>\$ 26,450,000</u>	<u>\$ 2,814,066</u>	<u>\$ 29,264,066</u>

Current maturities of certificates of participation and interest through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2014	\$ 1,895,000	\$ 57,100	\$ 1,952,100
2015	1,935,000	24,675	1,959,675
2016	<u>1,015,000</u>	<u>5,075</u>	<u>1,020,075</u>
Total	<u>\$ 4,845,000</u>	<u>\$ 86,850</u>	<u>\$ 4,931,850</u>

K.S.A. 72-6761 limits the amount of bonds that a school district may have outstanding at any one time to 14% of the assessed valuation of taxable tangible property within the school district. At year end, the District had \$26,450,000 of bonds outstanding which is 13.50% of the assessed valuation.

F. OPERATING LEASES

The District has entered into operating lease agreements for copier rental and maintenance, facility space, mail system equipment and fiber optic networking. Rental payments for the current year totaled \$584,471. The operating lease agreements expire at various dates through the year 2016.

The following is a yearly schedule of future minimum rental payments under the operating leases:

2014	\$ 432,963
2015	432,963
2016	<u>111,548</u>
	<u>\$ 977,474</u>

## G. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory authority</u>
General fund	Bilingual fund	\$ 3,148,311	K.S.A. 72-6428
General fund	Capital Outlay fund	2,585,118	K.S.A. 72-6428
General fund	Professional Development fund	200,000	K.S.A. 72-6428
General fund	Special Education fund	5,000,000	K.S.A. 72-6428
General fund	Vocational Education fund	1,211,800	K.S.A. 72-6428
General fund	Parents as Teachers fund	25,807	K.S.A. 72-6428
General fund	At Risk fund	9,856,752	K.S.A. 72-6428
General fund	Contingency Reserve fund	1,400,584	K.S.A. 72-6428
General fund	4 Year Old At Risk fund	285,931	K.S.A. 72-6428
General fund	Virtual Education fund	10,363	K.S.A. 72-6428
General fund	COP Principle & Interest	<u>2,120,500</u>	K.S.A. 72-6428
Total General		<u>25,845,166</u>	
Supplemental General fund	Textbook and Student Materials Revolving fund	137,712	K.S.A. 72-6433
Supplemental General fund	Special Education fund	<u>2,000,000</u>	K.S.A. 72-6433
Total Supplemental General		<u>2,137,712</u>	
Total interfund transfers		<u>\$27,982,878</u>	

## H. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

*Other post employment benefits.* As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

*Section 125 plan.* The District offers a Section 125 flexible benefit plan to employees electing to participate. It is used for health and dental insurance premiums, unreimbursed medical costs, and qualified dependent care expenses. The plan is administered by a third party administrator.

*Compensated absences.* The District's policy is to recognize the costs of compensated absences when actually paid. District policies regarding vacation and sick pay permit full-time classified employees to earn five days of vacation at the close of the first year and ten days after each subsequent year of service up to ten years. After ten years of service, fifteen days are earned. Anniversary dates for vacation purposes are July 1st to correspond with the fiscal year of the District. Vacation time is prorated for new or separating employees who do not complete a full fiscal year of employment on a July 1 through June 30 cycle. Policies prohibit payment for vacation time in lieu of time off. Sick leave, for all employees, may be accumulated at the rate of twelve days per year up to a total accumulation of one hundred days. In the event of retirement, resignation or termination of service, accumulated sick leave is lost. In the event of death, the beneficiary of the employee may receive payment for the amount of accumulated sick leave or one and one-half additional months pay from the time of death, whichever is greater.

## I. DEFINED BENEFIT PENSION PLAN

*Plan description.* The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A 74-4901, et. seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas, Suite 100; Topeka, KS 66603), at the following website: <http://www.kpers.org/annualreport2012.pdf> or by calling 1-888-275-5737.

*Funding Policy.* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July, 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2013, 2012, and 2011 were \$323,067,803, \$298,635,383, and \$253,834,044, respectively, equal to the required contributions for each year as set forth by the Legislature. The amounts attributable to the District for the years ended June 30, 2013, 2012, and 2011 were \$3,850,236, \$4,354,948, and \$2,531,295, respectively.

The State of Kansas is required to contribute the statutory required employers share.

## J. VOLUNTARY EARLY RETIREMENT PLAN

Certified personnel may voluntarily elect to retire early. Personnel must have vested credit recognized by KPERS of at least ten years. The annual early retirement benefit to be paid to the employee by the District shall be the sum equal to 150% of the difference between what the employee would have received from KPERS and Social Security upon retirement at age 65, and what the employee would receive from KPERS and Social Security with early retirement. Employees are eligible at age 62 and can receive this benefit until age 65. The amount payable in January 2014 is \$68,454 for five employees.

## K. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to cover these risks. There have been no significant reductions in coverage from the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

## L. CONTINGENCIES

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and State pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statement of the District at June 30, 2013.

## M. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 22, 2013, the date on which the financial statement was available to be issued. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in the financial statement.

**REGULATORY-REQUIRED  
SUPPLEMENTARY INFORMATION**

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2013

<u>Fund</u>	<u>Certified budget</u>	<u>Adjustment to comply with legal maximum budget</u>	<u>Total budget for comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General funds:					
General	\$ 45,064,261	\$ (500,171)	\$ 44,564,090	\$ 44,564,090	\$ -
Supplemental general	14,936,164	-	14,936,164	14,936,164	-
Special purpose funds:					
Parents as teachers	65,512	-	65,512	65,512	-
Bilingual education	3,148,695	-	3,148,695	3,148,695	-
Capital outlay	4,200,000	-	4,200,000	3,448,069	751,931
Driver training	43,698	-	43,698	-	43,698
Food service	3,825,222	-	3,825,222	3,825,222	-
Professional development	315,775	-	315,775	268,055	47,720
Special education	7,408,890	-	7,408,890	6,998,849	410,041
At risk	9,856,752	-	9,856,752	9,856,752	-
Virtual education	17,908	-	17,908	-	17,908
Summer school	600,000	-	600,000	160,439	439,561
Vocational education	1,400,000	-	1,400,000	1,137,578	262,422
KPERs special retirement contribution	4,262,412	-	4,262,412	3,850,236	412,176
4 year old at risk	285,931	-	285,931	285,931	-
Bond and interest funds:					
Special assessment	49,145	-	49,145	7	49,138
Bond and interest	5,168,576	-	5,168,576	5,163,711	4,865
<b>Total</b>	<b>\$ 100,648,941</b>	<b>\$ (500,171)</b>	<b>\$ 100,148,770</b>	<b>\$ 97,709,310</b>	<b>\$ 2,439,460</b>

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
<b>Receipts:</b>				
Taxes and shared revenue:				
Tax in process	\$ 100,660	\$ 77,161	\$ 24,252	\$ 52,909
Current tax	3,212,884	3,369,466	3,213,446	156,020
Delinquent tax	85,515	84,829	58,748	26,081
In lieu of tax	118,350	113,943	101,424	12,519
Federal sources:				
Education jobs fund	20,402	-	-	-
State sources:				
State aid - general	34,447,884	36,244,864	36,516,475	(271,611)
State aid - special education	4,668,147	4,665,935	5,149,916	(483,981)
Mineral production tax and other	5,537	10,122	-	10,122
<b>Total receipts</b>	<b>42,659,379</b>	<b>44,566,320</b>	<b>\$ 45,064,261</b>	<b>\$ (497,941)</b>
<b>Expenditures:</b>				
Instruction	11,460,382	12,204,991	\$ 15,262,051	\$ 3,057,060
Support services:				
Student support services	52,108	49,430	53,250	3,820
Instructional support staff	343,341	349,344	345,300	(4,044)
General administration	966,681	678,873	2,145,300	1,466,427
School administration	149,240	162,503	153,300	(9,203)
Operations and maintenance	2,060,020	2,204,282	4,361,000	2,156,718
Student transportation services:				
Supervision	139,417	122,687	967,400	844,713
Vehicle operating services	1,439,143	1,349,187	628,400	(720,787)
Vehicle services and maintenance services	286,347	237,653	71,000	(166,653)
Other supplemental services	972,717	1,250,529	105,278	(1,145,251)
Food service operation	-	109,445	-	(109,445)
Operating transfers	24,799,244	25,845,166	20,971,982	(4,873,184)
Adjustment to comply with legal maximum budget	-	-	(500,171)	(500,171)
<b>Total expenditures</b>	<b>42,668,640</b>	<b>44,564,090</b>	<b>\$ 44,564,090</b>	<b>\$ -</b>
Receipts over (under) expenditures	(9,261)	2,230		
Unencumbered cash, beginning of year	9,261	778		
Prior year canceled encumbrances	778	1,530		
<b>Unencumbered cash, end of year</b>	<b>\$ 778</b>	<b>\$ 4,538</b>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

SUPPLEMENTAL GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
<b>Receipts:</b>				
Taxes and shared revenue:				
Tax in process	\$ 150,236	\$ 140,186	\$ 110,566	\$ 29,620
Current tax	5,329,714	4,900,545	4,714,060	186,485
Delinquent tax	110,534	123,191	98,729	24,462
Motor vehicle tax	551,330	664,792	685,863	(21,071)
Recreational vehicle tax	4,493	5,266	5,925	(659)
In lieu of tax	177,034	150,602	150,418	184
State sources:				
State aid	8,811,048	8,479,171	8,586,502	(107,331)
<b>Total receipts</b>	<b>15,134,389</b>	<b>14,463,753</b>	<b>\$ 14,352,063</b>	<b>\$ 111,690</b>
<b>Expenditures:</b>				
Instruction	2,065,752	2,049,956	\$ 1,434,064	\$ (615,892)
Support services:				
Student support services	819,265	891,231	1,005,900	114,669
Instructional support staff	971,579	1,134,004	1,081,300	(52,704)
General administration	86,539	108,666	710,900	602,234
School administration	3,318,307	3,577,828	3,479,000	(98,828)
Operations and maintenance	4,293,936	4,366,338	4,575,000	208,662
Other supplemental services	658,387	670,429	-	(670,429)
Food service operation	120,545	-	-	-
Debt service	138,600	-	-	-
Operating transfers	2,202,990	2,137,712	2,650,000	512,288
<b>Total expenditures</b>	<b>14,675,900</b>	<b>14,936,164</b>	<b>\$ 14,936,164</b>	<b>\$ -</b>
Receipts over (under) expenditures	458,489	(472,411)		
Unencumbered cash, beginning of year	283,835	742,947		
Prior year canceled encumbrances	623	5,063		
<b>Unencumbered cash, end of year</b>	<b>\$ 742,947</b>	<b>\$ 275,599</b>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

PARENTS AS TEACHERS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
State aid	\$ 39,705	\$ 39,705	\$ 25,807	\$ 13,898
Transfer from general fund	41,964	25,807	39,705	(13,898)
Total receipts	81,669	65,512	\$ 65,512	\$ -
Expenditures:				
Instruction	2,810	14,347	\$ -	\$ (14,347)
Support services:				
Student support services	62,570	45,063	58,225	13,162
Instructional support staff	-	-	7,287	7,287
General administration	-	6,102	-	(6,102)
School administration	133	-	-	-
Total expenditures	65,513	65,512	\$ 65,512	\$ -
Receipts over (under) expenditures	16,156	-		
Unencumbered cash, beginning of year	6,253	22,409		
Unencumbered cash, end of year	\$ 22,409	\$ 22,409		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

**BILINGUAL EDUCATION FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	<u>2012</u>	<u>2013</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Transfer from general fund	<u>\$ 2,886,408</u>	<u>\$ 3,148,311</u>	<u>\$ 3,148,695</u>	<u>\$ (384)</u>
Expenditures:				
Instruction	2,779,715	3,053,181	\$ 3,045,445	\$ (7,736)
Support services:				
Student support services	45,944	45,060	42,300	(2,760)
Instructional support staff	11,046	-	11,000	11,000
School administration	<u>49,703</u>	<u>50,454</u>	<u>49,950</u>	<u>(504)</u>
Total expenditures	<u>2,886,408</u>	<u>3,148,695</u>	<u>\$ 3,148,695</u>	<u>\$ -</u>
Receipts over (under) expenditures	-	(384)		
Unencumbered cash, beginning of year	8,952	8,974		
Prior year canceled encumbrances	<u>22</u>	<u>169</u>		
Unencumbered cash, end of year	<u>\$ 8,974</u>	<u>\$ 8,759</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

**CAPITAL OUTLAY FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

For the Year Ended June 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
<b>Receipts:</b>				
Taxes and shared revenue:				
Tax in process	\$ 17,505	\$ 29,034	\$ -	\$ 29,034
Current tax	1,460	649,738	622,596	27,142
Delinquent tax	12,000	2,744	-	2,744
Motor vehicle tax	89,524	25,543	50,994	(25,451)
Recreational vehicle tax	733	455	441	14
In lieu of tax	636	19,702	11,117	8,585
Interest	11,929	5,144	-	5,144
Other	11,020	40,130	-	40,130
Transfer from general fund	2,786,183	2,585,118	1,000,000	1,585,118
<b>Total receipts</b>	<b>2,930,990</b>	<b>3,357,608</b>	<b>\$ 1,685,148</b>	<b>\$ 1,672,460</b>
<b>Expenditures:</b>				
Instruction	304,671	129,257	\$ 750,000	\$ 620,743
Support services:				
Instructional support staff	-	-	250,000	250,000
Central services	-	7,148	-	(7,148)
School administration	77,622	2,528	100,000	97,472
Operations and maintenance	410,377	1,198,684	500,000	(698,684)
Transportation	-	-	50,000	50,000
Facility acquisition and construction services:				
Architectural and engineering services	153,910	162,477	200,000	37,523
New building acquisition and construction	-	7,920	-	(7,920)
Site improvement	87,943	1,809,253	100,000	(1,709,253)
Building improvements	5,043,490	130,802	2,250,000	2,119,198
<b>Total expenditures</b>	<b>6,078,013</b>	<b>3,448,069</b>	<b>\$ 4,200,000</b>	<b>\$ 751,931</b>
Receipts over (under) expenditures	(3,147,023)	(90,461)		
Unencumbered cash, beginning of year	6,362,269	3,221,335		
Prior year canceled encumbrances	6,089	321,846		
<b>Unencumbered cash, end of year</b>	<b>\$ 3,221,335</b>	<b>\$ 3,452,720</b>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

DRIVER TRAINING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
Receipts	\$ -	\$ -	<u>\$ -</u>	<u>\$ -</u>
Expenditures	<u>-</u>	<u>-</u>	<u>\$ 43,698</u>	<u>\$ 43,698</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	<u>43,698</u>	<u>43,698</u>		
Unencumbered cash, end of year	<u>\$ 43,698</u>	<u>\$ 43,698</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

FOOD SERVICE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2013		Variance favorable (unfavorable)	
	2012	Actual		Budget
<b>Receipts:</b>				
Federal aid	\$ 3,122,499	\$ 3,173,856	\$ 3,243,038	\$ (69,182)
State aid	40,279	42,291	40,851	1,440
Interest	131	37	-	37
Charges for services	657,374	600,869	541,333	59,536
Other	-	529	-	529
<b>Total receipts</b>	<b><u>3,820,283</u></b>	<b><u>3,817,582</u></b>	<b><u>\$ 3,825,222</u></b>	<b><u>\$ (7,640)</u></b>
<b>Expenditures:</b>				
Instruction	1,158	960	\$ -	\$ (960)
Operations and maintenance	42,774	-	51,000	51,000
Food service operation	<u>3,771,520</u>	<u>3,824,262</u>	<u>3,774,222</u>	<u>(50,040)</u>
<b>Total expenditures</b>	<b><u>3,815,452</u></b>	<b><u>3,825,222</u></b>	<b><u>\$ 3,825,222</u></b>	<b><u>\$ -</u></b>
Receipts over (under) expenditures	4,831	(7,640)		
Unencumbered cash, beginning of year	565,760	570,591		
Prior year canceled encumbrances	<u>-</u>	<u>2,348</u>		
<b>Unencumbered cash, end of year</b>	<b><u>\$ 570,591</u></b>	<b><u>\$ 565,299</u></b>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

PROFESSIONAL DEVELOPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Other	\$ 57,843	\$ -	\$ -	\$ -
Transfer from general fund	200,000	200,000	200,000	-
Total receipts	<u>257,843</u>	<u>200,000</u>	<u>\$ 200,000</u>	<u>\$ -</u>
Expenditures:				
Support services:				
Student support services	-	822	\$ -	\$ (822)
Instructional support staff	182,599	267,233	315,775	48,542
Total expenditures	<u>182,599</u>	<u>268,055</u>	<u>\$ 315,775</u>	<u>\$ 47,720</u>
Receipts over (under) expenditures	75,244	(68,055)		
Unencumbered cash, beginning of year	277,959	353,203		
Prior year canceled encumbrances	-	15		
Unencumbered cash, end of year	<u>\$ 353,203</u>	<u>\$ 285,163</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

SPECIAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Transfers from:				
General fund	\$ 4,995,261	\$ 5,000,000	\$ 5,149,916	\$ (149,916)
Supplemental general fund	1,902,990	2,000,000	2,000,000	-
Total receipts	<u>6,898,251</u>	<u>7,000,000</u>	<u>\$ 7,149,916</u>	<u>\$ (149,916)</u>
Expenditures:				
Instruction	6,636,307	6,707,498	\$ 7,122,070	\$ 414,572
Support services:				
Student support services	39,261	37,243	45,720	8,477
Instructional support staff	-	2,940	500	(2,440)
Student transportation services:				
Supervision	-	-	178,500	178,500
Vehicle operating service	216,867	231,044	40,100	(190,944)
Vehicle services and maintenance services	18,828	20,124	22,000	1,876
Total expenditures	<u>6,911,263</u>	<u>6,998,849</u>	<u>\$ 7,408,890</u>	<u>\$ 410,041</u>
Receipts over (under) expenditures	(13,012)	1,151		
Unencumbered cash, beginning of year	1,420,541	1,407,691		
Prior year canceled encumbrances	<u>162</u>	<u>39</u>		
Unencumbered cash, end of year	<u>\$ 1,407,691</u>	<u>\$ 1,408,881</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

AT RISK FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Transfer from general fund	\$ 9,329,796	\$ 9,856,752	\$ 9,847,735	\$ 9,017
Expenditures:				
Instruction	8,513,086	9,024,067	\$ 9,017,760	\$ (6,307)
Support services:				
Student support services	609,124	620,718	625,700	4,982
School administration	177,162	181,075	182,800	1,725
Operations and maintenance	30,424	30,892	30,492	(400)
Total expenditures	9,329,796	9,856,752	\$ 9,856,752	\$ -
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	9,123	11,441		
Prior year canceled encumbrances	2,318	-		
Unencumbered cash, end of year	\$ 11,441	\$ 11,441		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

VIRTUAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	<u>2012</u>	<u>2013</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Transfer from general fund	\$ 14,364	\$ 10,363	<u>\$ -</u>	<u>\$ 10,363</u>
Expenditures:				
Instruction	<u>-</u>	<u>-</u>	<u>\$ 17,908</u>	<u>\$ 17,908</u>
Receipts over (under) expenditures	14,364	10,363		
Unencumbered cash, beginning of year	<u>23,203</u>	<u>37,567</u>		
Unencumbered cash, end of year	<u>\$ 37,567</u>	<u>\$ 47,930</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

SUMMER SCHOOL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2013		Variance favorable (unfavorable)	
	2012	Actual		Budget
Receipts:				
Fees	\$ 38,505	\$ 118,682	\$ 500,000	\$ (381,318)
Expenditures:				
Instruction	289,689	140,844	\$ 563,687	\$ 422,843
Support services:				
Student support services	7,134	5,104	7,228	2,124
Operations and maintenance	-	-	85	85
Student transportation services:				
Supervision	2,940	74	-	(74)
Vehicle operating services	25,283	14,417	-	(14,417)
Other supplemental services	-	-	29,000	29,000
Total expenditures	<u>325,046</u>	<u>160,439</u>	<u>\$ 600,000</u>	<u>\$ 439,561</u>
Receipts over (under) expenditures	(286,541)	(41,757)		
Unencumbered cash, beginning of year	<u>1,224,132</u>	<u>937,591</u>		
Unencumbered cash, end of year	<u>\$ 937,591</u>	<u>\$ 895,834</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

VOCATIONAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	<u>2012</u>	<u>2013</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Transfer from general fund	<u>\$ 1,300,000</u>	<u>\$ 1,211,800</u>	<u>\$ 1,300,000</u>	<u>\$ (88,200)</u>
Expenditures:				
Instruction	1,014,161	1,060,164	\$ 1,320,850	\$ 260,686
Support services:				
School administration	23,789	26,975	24,950	(2,025)
Operations and maintenance	<u>53,251</u>	<u>50,439</u>	<u>54,200</u>	<u>3,761</u>
Total expenditures	<u>1,091,201</u>	<u>1,137,578</u>	<u>\$ 1,400,000</u>	<u>\$ 262,422</u>
Receipts over (under) expenditures	208,799	74,222		
Unencumbered cash, beginning of year	355,011	563,849		
Prior year canceled encumbrances	<u>39</u>	<u>-</u>		
Unencumbered cash, end of year	<u>\$ 563,849</u>	<u>\$ 638,071</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

KPERs SPECIAL RETIREMENT CONTRIBUTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2013		Variance favorable (unfavorable)	
	2012	Actual		Budget
Receipts:				
State aid	\$ 4,354,948	\$ 3,850,236	\$ 4,262,412	\$ (412,176)
Expenditures:				
Instruction	2,643,889	2,326,313	\$ 2,591,011	\$ 264,698
Support services:				
Student support services	317,476	294,928	311,126	16,198
Instructional support staff	123,681	108,962	121,207	12,245
General administration	117,584	96,256	115,232	18,976
School administration	364,944	325,730	357,646	31,916
Operations and maintenance	326,186	296,853	319,662	22,809
Student transportation services	133,697	115,122	131,022	15,900
Other supplemental services	158,955	137,453	146,388	8,935
Food service operation	168,536	148,619	169,118	20,499
Total expenditures	4,354,948	3,850,236	\$ 4,262,412	\$ 412,176
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	\$ -	\$ -		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

4 YEAR OLD AT RISK FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	<u>2012</u>	<u>2013</u>		Variance favorable (unfavorable)
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Transfer from general fund	<u>\$ 281,610</u>	<u>\$ 285,931</u>	<u>\$ 285,931</u>	<u>\$ -</u>
Expenditures:				
Instruction	202,652	246,359	\$ 235,985	\$ (10,374)
Support services:				
Student support services	69,310	32,166	36,135	3,969
Other supplemental services	<u>9,648</u>	<u>7,406</u>	<u>13,811</u>	<u>6,405</u>
Total expenditures	<u>281,610</u>	<u>285,931</u>	<u>\$ 285,931</u>	<u>\$ -</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	<u>4,136</u>	<u>4,136</u>		
Unencumbered cash, end of year	<u>\$ 4,136</u>	<u>\$ 4,136</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

NON-BUDGETED SPECIAL PURPOSE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended June 30, 2013

	Coke Donation Agreement	Textbook and Student Materials Revolving	Civic Center	Pre-K Pilot Program	Kansas Early Learning Collaboration
Receipts:					
Donations	\$ 21,469	\$ -	\$ -	\$ -	\$ -
State aid	-	-	-	176,588	-
Fees	-	117,610	8,461	-	-
Other grants	-	-	-	-	73,911
Transfers from:					
General fund	-	-	-	-	-
Supplemental general fund	-	137,712	-	-	-
	-	137,712	-	-	-
	21,469	255,322	8,461	176,588	73,911
	21,469	255,322	8,461	176,588	73,911
	21,469	255,322	8,461	176,588	73,911
	21,469	255,322	8,461	176,588	73,911
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	21,469	255,322	8,461	176,588	73,911
	21,469	255,322	8,461	176,588	73,911
	21,469	255,322	8,461	176,588	73,911
	21,469	255,322	8,461	176,588	73,911
	21,469	255,322	8,461	176,588	73,911

Building blocks grant Jan/Dec 2013	NCCEP	Gifts and Grants	Contingency Reserve	SAFE	Total
\$ -	\$ -	\$ 322,909	\$ -	\$ -	\$ 344,378
128,666	-	-	-	-	305,254
-	-	-	-	44,175	170,246
-	-	269,848	-	-	343,759
-	-	-	1,400,584	-	1,400,584
-	-	-	-	-	137,712
<u>128,666</u>	<u>-</u>	<u>592,757</u>	<u>1,400,584</u>	<u>44,175</u>	<u>2,701,933</u>
13,151	-	9,288	-	42,019	435,639
-	-	4,324	-	-	104,366
3,750	-	1,039	-	-	4,789
725	-	-	-	-	17,432
1,384	-	-	-	-	24,558
-	-	853	-	-	1,356
-	-	-	-	-	114
-	-	10,000	202,832	-	212,832
250	-	-	-	-	250
-	-	-	-	-	7,516
-	-	-	-	-	9,910
-	-	44,128	-	-	44,128
<u>19,260</u>	<u>-</u>	<u>69,632</u>	<u>202,832</u>	<u>42,019</u>	<u>862,890</u>
109,406	-	523,125	1,197,752	2,156	1,839,043
-	14,189	1,275,013	3,258,657	35,742	5,388,386
-	-	-	-	-	654
<u>\$ 109,406</u>	<u>\$ 14,189</u>	<u>\$ 1,798,138</u>	<u>\$ 4,456,409</u>	<u>\$ 37,898</u>	<u>\$ 7,228,083</u>

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

SPECIAL PURPOSE FEDERAL GRANT FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended June 30, 2013

	Title I	Title I Migrant	Head Start
<b>Receipts</b>			
Federal aid	\$ 1,465,468	\$ 1,360,346	\$ 1,563,517
Third party in-kind match	-	-	416,366
Total receipts	1,465,468	1,360,346	1,979,883
<b>Expenditures:</b>			
Instruction	678,073	784,578	1,243,558
Support services:			
Student support services	371,395	103,541	392,361
Instructional support staff	189,215	39,685	50,399
General administration	224,146	136,141	117,102
School administration	-	25,771	106,977
Operations and maintenance	2,639	69,887	48,799
Student transportation services:			
Supervision	-	20,976	72,688
Vehicle operating services	-	-	1,686
Other supplemental services	-	-	25,515
Food service operations	-	-	22,745
Reimbursed expenditures	-	-	(1)
Refund to state	169	13	-
Total expenditures	1,465,637	1,180,592	2,081,829
Receipts over (under) expenditures	(169)	179,754	(101,946)
Unencumbered cash (deficit), beginning of year	169	(60,133)	(346,467)
Prior year canceled encumbrances	-	84	44
Unencumbered cash (deficit), end of year	\$ -	\$ 119,705	\$ (448,369)

See Independent Auditor's Report.

<u>Kansas Early Head Start</u>	<u>Program Improvement</u>	<u>Title III English Language Acquisition</u>	<u>Title IIA Teacher Quality</u>	<u>Total</u>
\$ 478,648	\$ 55,402	\$ 273,185	\$ 248,947	\$ 5,445,513
-	-	-	-	416,366
<u>478,648</u>	<u>55,402</u>	<u>273,185</u>	<u>248,947</u>	<u>5,861,879</u>
107,332	52,632	199,132	116,985	3,182,290
274,014	-	-	121,145	1,262,456
-	-	68,579	6,074	353,952
48,731	2,770	5,474	4,743	539,107
10,650	-	-	-	143,398
-	-	-	-	121,325
-	-	-	-	93,664
-	-	-	-	1,686
9,047	-	-	-	34,562
4,032	-	-	-	26,777
1	-	-	-	-
-	-	663	-	845
<u>453,807</u>	<u>55,402</u>	<u>273,848</u>	<u>248,947</u>	<u>5,760,062</u>
24,841	-	(663)	-	101,817
(148,287)	-	663	-	(554,055)
180	-	-	-	308
<u>\$ (123,266)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (451,930)</u>

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

KANSAS HERITAGE CENTER FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended June 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	<u>2012</u>	<u>2013</u>
Receipts:		
Other charges/sales/grants/donations	\$ 35,053	\$ 28,359
Expenditures:		
Student support services	<u>34,620</u>	<u>26,253</u>
Receipts over (under) expenditures	433	2,106
Unencumbered cash, beginning of year	<u>92,501</u>	<u>92,934</u>
Unencumbered cash, end of year	<u><u>\$ 92,934</u></u>	<u><u>\$ 95,040</u></u>

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

SPECIAL ASSESSMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Tax in process	\$ 1,987	\$ -	\$ -	\$ -
Current tax	172	-	-	-
Delinquent tax	1,521	-	-	-
Other revenue from local source	-	-	3,566	(3,566)
Motor vehicle tax	10,464	6,194	5,818	376
Recreational vehicle tax	86	52	50	2
In lieu of tax	-	-	1,264	(1,264)
Total receipts	14,230	6,246	<u>\$ 10,698</u>	<u>\$ (4,452)</u>
Expenditures:				
Site improvement services	40,041	7	<u>\$ 49,145</u>	<u>\$ 49,138</u>
Receipts over (under) expenditures	(25,811)	6,239		
Unencumbered cash, beginning of year	<u>50,028</u>	<u>24,217</u>		
Unencumbered cash, end of year	<u>\$ 24,217</u>	<u>\$ 30,456</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

BOND AND INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2013		Variance favorable (unfavorable)	
	2012	Actual		Budget
Receipts:				
Taxes and shared revenue:				
Tax in process	\$ 64,978	\$ 50,744	\$ 39,061	\$ 11,683
Current tax	1,928,365	1,969,936	1,894,583	75,353
Delinquent tax	60,313	55,174	35,705	19,469
Motor vehicle tax	260,231	273,497	278,937	(5,440)
Recreational vehicle tax	2,123	2,180	2,410	(230)
In lieu of tax	64,021	60,435	61,127	(692)
State sources:				
State aid	2,685,420	2,842,662	2,842,717	(55)
Total receipts	<u>5,065,451</u>	<u>5,254,628</u>	<u>\$ 5,154,540</u>	<u>\$ 100,088</u>
Expenditures:				
Debt service:				
Principal	3,825,000	3,995,000	\$ 3,995,000	\$ -
Interest	1,339,270	1,168,711	1,173,476	4,765
Commission and postage	-	-	100	100
Total expenditures	<u>5,164,270</u>	<u>5,163,711</u>	<u>\$ 5,168,576</u>	<u>\$ 4,865</u>
Receipts over (under) expenditures	(98,819)	90,917		
Unencumbered cash, beginning of year	<u>2,669,295</u>	<u>2,570,476</u>		
Unencumbered cash, end of year	<u>\$ 2,570,476</u>	<u>\$ 2,661,393</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

CERTIFICATES OF PARTICIPATION

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended June 30, 2013

	Certificates of Participation P & I 2010	Certificates of Participation P & I 2011	Total
	<u>2010</u>	<u>2011</u>	<u>Total</u>
Receipts:			
Interest	\$ 4	\$ -	\$ 4
Transfer from general fund	2,087,696	32,800	2,120,496
	<u>2,087,700</u>	<u>32,800</u>	<u>2,120,500</u>
Total receipts			
Expenditures:			
Debt service:			
Principal	2,020,000	-	2,020,000
Interest	66,700	31,300	98,000
Other	1,000	1,500	2,500
	<u>2,087,700</u>	<u>32,800</u>	<u>2,120,500</u>
Total expenditures			
Receipts over (under) expenditures	-	-	-
Unencumbered cash, beginning of year	<u>2</u>	<u>-</u>	<u>2</u>
Unencumbered cash, end of year	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 2</u>

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

CONSTRUCTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended June 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	<u>2012</u>	<u>2013</u>
Receipts:		
Interest	\$ 351	\$ 865
Bond proceeds	3,130,000	-
Good faith deposit	-	194,800
	<u>3,130,351</u>	<u>195,665</u>
Total receipts		
Expenditures:		
Repair and remodeling building	3,071,373	-
Debt service	64,868	181,502
	<u>3,136,241</u>	<u>181,502</u>
Total expenditures		
Receipts over (under) expenditures	(5,890)	14,163
Unencumbered cash, beginning of year	<u>180,623</u>	<u>174,733</u>
Unencumbered cash, end of year	<u>\$ 174,733</u>	<u>\$ 188,896</u>

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

MARILYN SHIPLEY CHILDREN LITERACY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended June 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	<u>2012</u>	<u>2013</u>
Cash receipts:		
Gain (loss) on investments	\$ (48)	\$ 586
Expenditures:		
Grants paid	<u>105</u>	<u>318</u>
Receipts over (under) expenditures	(153)	268
Unencumbered cash, beginning of year	<u>4,513</u>	<u>4,360</u>
Unencumbered cash, end of year	<u><u>\$ 4,360</u></u>	<u><u>\$ 4,628</u></u>

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

**DISTRICT ACTIVITY FUNDS**

**SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
REGULATORY BASIS**

For the Year Ended June 30, 2013

Fund	Beginning unencumbered cash balance	Receipts	Expenditures	Ending unencumbered cash balance	Add encumbrances and accounts payable	Ending cash balance
District activities:						
Gate receipts:						
Dodge City High School:						
Athletics	\$ 19,212	\$ 76,993	\$ 92,399	\$ 3,806	\$ -	\$ 3,806
Club services	18	20,713	20,686	45	-	45
Sub-State	53	34,959	34,962	50	-	50
Advertising	6,746	29,553	35,084	1,215	-	1,215
Tournament of Champions	30,088	22,568	31,181	21,475	-	21,475
All sports booster	3,372	-	2,993	379	-	379
WAC medals	495	3,000	2,659	836	-	836
Gate receipts	-	70,893	70,893	-	-	-
Honors banquet	2,279	601	2,880	-	-	-
Activity ticket	1	16,000	16,000	1	-	1
Dodge City Middle School:						
Athletics	6,052	33,449	34,287	5,214	-	5,214
Comanche Middle School						
Coyote athletics	5,000	34,210	37,801	1,409	-	1,409
Total gate receipts	<u>73,316</u>	<u>342,940</u>	<u>381,826</u>	<u>34,430</u>	<u>-</u>	<u>34,430</u>
School projects:						
Mechanics	703	-	-	703	-	703
Floral design	8,312	571	1,644	7,239	-	7,239
Greenhouse	14,787	-	316	14,471	-	14,471
Livestock	6,449	7,516	4,360	9,605	-	9,605
Woodworking	10,353	2,092	127	12,318	-	12,318
Building trades	151,854	166,849	190,832	127,871	-	127,871
Pass tuition	2,126	-	-	2,126	-	2,126
Food service	3,318	673	3,095	896	-	896
RIF	6	-	-	6	-	6
Adopt-a-Book	4	-	-	4	-	4
Comanche business						
partner	2,094	254	750	1,598	-	1,598
Excel/Sunnyside business						
partner	5	-	-	5	-	5
S.A.F.E.	483	-	-	483	-	483
DCHS - Drama/Forensics	6,063	-	-	6,063	-	6,063
Scholarship foundation	127	-	-	127	-	127
Bright Beginnings courtesy	1,977	2,747	2,715	2,009	-	2,009
Bright Beginnings-United Way	10,305	15,500	3,203	22,602	-	22,602
Migrant	174	700	870	4	-	4
The Learning Center	11,506	21,616	28,040	5,082	-	5,082
Money market interest	21,377	130	-	21,507	-	21,507

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

**DISTRICT ACTIVITY FUNDS (CONTINUED)**

**SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
REGULATORY BASIS**

For the Year Ended June 30, 2013

Fund	Beginning unencumbered cash balance	Receipts	Expenditures	Ending unencumbered cash balance	Add encumbrances and accounts payable	Ending cash balance
School projects (continued):						
Dodge City High School:						
Basketball scoring table	\$ 7,803	\$ 1,000	\$ -	\$ 8,803	\$ -	\$ 8,803
ID	184	1,693	1,046	831	-	831
Quill & scroll	258	-	-	258	-	258
Scholar bowl	242	2,777	2,714	305	-	305
Student planner	1,064	-	152	912	-	912
Course catalog	33	2,000	2,033	-	-	-
Yearbook	19,705	17,795	23,153	14,347	-	14,347
Activity improvements	4,842	8,357	8,059	5,140	-	5,140
Parent-teacher conferences	233	-	-	233	-	233
Wellness	2,828	725	2,710	843	-	843
Hearing impaired	495	-	-	495	-	495
Concessions	12,101	6,521	11,785	6,837	-	6,837
Dodge City Middle School:						
Assignment journals	-	190	190	-	-	-
Library/book fair	122	40	-	162	-	162
Students & building needs	3,956	1,763	2,636	3,083	-	3,083
Art smart	1,573	-	-	1,573	-	1,573
KS school health survey	236	-	-	236	-	236
Binder sales	-	240	240	-	-	-
Miscellaneous	-	18	14	4	-	4
Partners in Education	183	-	-	183	-	183
Students in need	12	25	25	12	-	12
T-shirts	486	3,473	3,181	778	-	778
Learning tree	500	-	-	500	-	500
Student testing rewards	115	-	-	115	-	115
Comanche Middle School:						
Library/book fair	-	197	23	174	-	174
Chorus	-	1,097	21	1,076	-	1,076
T-shirts	-	2,830	2,824	6	-	6
Learning tree	-	500	500	-	-	-
Poster ads	-	700	175	525	-	525
Soule Elementary	1,565	316	1,304	577	-	577
Beeson Elementary	776	1,590	2,006	360	-	360
Central Elementary	1,307	2,258	2,460	1,105	-	1,105
Linn Elementary	2,366	2,197	2,345	2,218	-	2,218
Miller Elementary	771	1,108	1,560	319	-	319
Northwest Elementary	3,780	2,760	3,325	3,215	-	3,215
Sunnyside Elementary	1,162	4,019	4,873	308	-	308
Wilroads Elementary	265	2,672	2,584	353	-	353
Ross Elementary	389	905	1,197	97	-	97
Total school projects	<u>321,375</u>	<u>288,414</u>	<u>319,087</u>	<u>290,702</u>	<u>-</u>	<u>290,702</u>
Total district activity funds	<u>\$ 394,691</u>	<u>\$ 631,354</u>	<u>\$ 700,913</u>	<u>\$ 325,132</u>	<u>\$ -</u>	<u>\$ 325,132</u>

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

**AGENCY FUNDS**

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
REGULATORY BASIS**

For the Year Ended June 30, 2013

<u>Fund</u>	<u>Beginning cash balance</u>	<u>Cash receipts</u>	<u>Cash disbursements</u>	<u>Ending cash balance</u>
Health Care Services Reserve	\$ 427,798	\$ 6,978,439	\$ 7,293,025	\$ 113,212
Student activity funds:				
High School:				
Band	15,340	110,096	97,847	27,589
Student band account	9,395	3,793	251	12,937
Big trip account	1,754	-	-	1,754
Broadcasting	1,112	70	198	984
FBLA	1,046	819	498	1,367
FBLA Store	748	-	-	748
Cheerleaders	126	24,387	21,864	2,649
Chorus	3,245	33,261	26,580	9,926
Class of 2012	357	-	357	-
Class of 2013	44	1,200	237	1,007
Class of 2014	2,400	3,170	3,693	1,877
Class of 2015	1,200	1,200	-	2,400
Class of 2016	-	1,200	-	1,200
Debate	583	3,463	1,913	2,133
Dodger	6,734	1,420	5,930	2,224
Drama club	1,489	5,761	4,031	3,219
Drill team	8,236	36,955	39,482	5,709
Drill team student accounts	375	695	400	670
International club	642	342	268	716
FFA	192	10,921	10,711	402
FCCLA	1,220	8,077	6,210	3,087
HOSA	4,296	4,781	2,421	6,656
Heritage panel	385	1,688	1,771	302
Image makers	491	521	400	612
KAYS	577	-	577	-
NHS	2,257	371	501	2,127
Octagon club	510	521	-	1,031
Orchestra	1,494	34,984	33,731	2,747
Peer helpers	2	-	2	-
SADD	1,259	1,067	103	2,223
Student council	340	8,706	7,887	1,159
Graphic design	3	-	3	-
DC Union	981	30,199	30,669	511
FCA	1,232	26	652	606
Future teacher club	6	-	-	6
Skills USA	296	975	1,057	214
Gay-Straight Alliance	40	79	71	48
French exchange program	-	20,233	18,157	2,076
Science olympiad	1,618	431	385	1,664
Hero club	639	1,072	204	1,507
Subtotal High School	72,664	352,484	319,061	106,087

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

**AGENCY FUNDS**

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS (CONTINUED)  
REGULATORY BASIS**

For the Year Ended June 30, 2013

<u>Fund</u>	<u>Beginning cash balance</u>	<u>Cash receipts</u>	<u>Cash disbursements</u>	<u>Ending cash balance</u>
Student activity funds (continued):				
Dodge City Middle School:				
Student council	\$ 476	\$ 3,089	\$ 3,065	\$ 500
DCMS heritage panel	416	-	27	389
Drill team	318	4,942	4,812	448
Spirit club	-	13,238	12,330	908
NJHS	260	140	227	173
Scholars bowl	-	592	586	6
Subtotal Middle School	<u>1,470</u>	<u>22,001</u>	<u>21,047</u>	<u>2,424</u>
Comanche Middle School:				
Student council	-	658	478	180
Drill team	-	997	308	689
Spirit club	-	23,557	15,437	8,120
Subtotal Comanche Middle School	<u>-</u>	<u>25,212</u>	<u>16,223</u>	<u>8,989</u>
Subtotal student activity funds	<u>74,134</u>	<u>399,697</u>	<u>356,331</u>	<u>117,500</u>
Total agency funds	<u>\$ 501,932</u>	<u>\$ 7,378,136</u>	<u>\$ 7,649,356</u>	<u>\$ 230,712</u>

See Independent Auditor's Report.

## **APPENDICES**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Education  
Unified School District No. 443  
Dodge City, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Unified School District No. 443, Dodge City, Kansas as of and for the year ended June 30, 2013, and the related notes to the financial statement, and have issued our report thereon dated November 22, 2013. Our report on the financial statement disclosed that, as described in Note A to the financial statement, the District has prepared this financial statement in conformity with the accounting practices prescribed by the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered Unified School District No. 443's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 443's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Kennedy McKee & Company LLP*

November 22, 2013

*Kennedy*  
*McKee & Company LLP* Certified Public Accountants

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Education  
Unified School District No. 443  
Dodge City, Kansas

Report on Compliance for Each Major Federal Program

We have audited Unified School District No. 443's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2013. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Basis for Qualified Opinion on Migrant Program

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding Cash Management for CFDA 84.011 Migrant Program as described in finding number 2013-01. Compliance with such requirements is necessary, in our opinion, for the District to comply with requirements applicable to that program.

### Qualified Opinion on Migrant Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Migrant Program for the year ended June 30, 2013.

### Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2013.

### Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2013-02. Our opinion on each major federal program is not modified with respect to this matter.

Unified District No. 443's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### Report on Internal Control Over Compliance

Management of Unified School District No. 443 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2013-01 to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2013-02 to be a significant deficiency.

The District's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Kennedy McKee & Company LLP*

November 22, 2013

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended June 30, 2013

Federal grantor/ pass-through grantor/ program title	Federal CFDA number	Pass-through grantor's number	Unencumbered cash (deficit) beginning of year	Canceled encumbrances	Receipts	Expenditures	Unencumbered cash (deficit) end of year
<b><u>U.S. Department of Health and Human Services</u></b>							
Direct Program:							
Head Start - 2012-13	93.600	N/A	\$ -	\$ -	\$ 1,199,478	\$ 1,637,523	\$ (438,045)
Head Start T/TA - 2012-13	93.600	N/A	-	-	17,616	27,940	(10,324)
Head Start - 2011-2012	93.600	N/A	(344,617)	44	344,572	(1)	-
Head Start T/TA - 2011-12	93.600	N/A	(1,851)	-	1,851	-	-
Passed through Kansas Department of Social and Rehabilitation Services:							
Child Care and Development Block Grant:							
Kansas Early Head Start - 2012-13	93.575	EHS-13-07100200	-	-	330,536	453,802	(123,266)
Kansas Early Head Start - 2011-12	93.575	EHS-12-07100200	(148,287)	180	148,112	5	-
			<u>(494,755)</u>	<u>224</u>	<u>2,042,165</u>	<u>2,119,269</u>	<u>(571,635)</u>
<b><u>U.S. Department of Education</u></b>							
Passed through Kansas Department of Education:							
Title I:							
Title I - Program Improvement	84.010	13443	-	-	39,350	39,350	-
Title I - 2010-11	84.010	11443	169	-	-	169	X -
Title I - 2012-13	84.010	13443	-	-	1,207,618	1,207,618	-
Title I - 2012-13 Carryover	84.010	13443	-	-	218,500	218,500	-
Migrant Programs:							
Migrant - 2010-11	84.011	11M443	13	-	-	13	X -
Migrant - 2011-12	84.011	12M443	(60,146)	84	60,146	-	84 &
Migrant - 2012-13	84.011	13M443	-	-	1,150,200	1,030,579	119,621 &
Migrant Even Start - 2012-13	84.011	13M443	-	-	150,000	150,000	-
Title IIA:							
Teacher Quality - 2012-13	84.367	13443	-	-	214,947	214,947	-
Teacher Quality - 2012-13 Carryover	84.367	13443	-	-	34,000	34,000	-
Carl Perkins:							
Program Improvement - 2012-13	84.048	6686	-	-	55,402	55,402	-

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**

For the Year Ended June 30, 2013

Federal grantor/ pass-through grantor/ program title	Federal CFDA number	Pass-through grantor's number	Unencumbered cash (deficit) beginning of year	Canceled encumbrances	Cash receipts	Expenditures	Unencumbered cash (deficit) end of year
<b><u>U.S. Department of Education (continued)</u></b>							
Passed through Kansas Department of Education (continued)							
Title III:							
English Language Acquisition - 2012-13	84.365	13443	\$ -	\$ -	\$ 273,185	\$ 273,185	\$ -
English Language Acquisition - 2010-11	84.365	11443	663	-	-	663 X	-
			<u>(59,301)</u>	<u>84</u>	<u>3,403,348</u>	<u>3,224,426</u>	<u>119,705</u>
<b><u>U.S. Department of Energy</u></b>							
Passed through Kansas Corporation Commission:							
Department of Energy Formula Grant - ARRA	81.128	N/A	<u>(268,348)</u>	<u>-</u>	<u>268,348</u>	<u>-</u>	<u>-</u>
<b><u>U.S. Department of Health and Human Services</u></b>							
Passed through Kansas Department of Education:							
Youth Risk Behavior Survey	93.938	N/A	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
<b><u>U.S. Department of Agriculture</u></b>							
Passed through Kansas Department of Education:							
School Breakfast Program	10.553	N/A	-	-	563,224	563,224	-
National School Lunch Program	10.555	N/A	-	-	2,520,394	2,520,394	-
Summer Food Service Program for Children	10.559	N/A	-	-	89,063	89,063	-
Team Nutrition Grants	10.574	N/A	-	-	1,175	1,175	-
State Administrative Expenses for Child Nutrition	10.560	N/A	<u>-</u>	<u>-</u>	<u>230</u>	<u>230</u>	<u>-</u>
			<u>-</u>	<u>-</u>	<u>3,174,086</u>	<u>3,174,086</u>	<u>-</u>
Total federal assistance			<u>\$ (822,404)</u>	<u>\$ 308</u>	<u>\$ 8,888,947</u>	8,518,781	<u>\$ (451,930)</u>
Grant funds returned to the State						<u>(845)</u>	
Federal expenditures per the Data Collection Form						<u>\$ 8,517,936</u>	

Note - The Schedule of Expenditures of Federal Awards is prepared in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas.

X - Grant funds returned to the State

& - Amount needs to be returned to the State.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2013

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unmodified opinion on the financial statement of Unified School District No. 443.
2. No significant deficiencies relating to the audit of the financial statement are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statement of Unified School District No. 443 which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. One significant deficiency and one material weakness relating to the audit of internal control over major federal programs was reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Unified School District No. 443 expresses a qualified opinion on the Migrant Program and an unmodified opinion on the Child Nutrition Program Cluster.
6. Audit findings required to be reported in accordance with Section 510(a) of OMB A-133 are reported in this schedule.
7. The programs tested as major programs included:

Migrant Program	CFDA 84.011
Child Nutrition Program Cluster:	
School Breakfast Program	CFDA 10.553
National School Lunch Program	CFDA 10.555
Summer Food Service Program For Children	CFDA 10.559
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Unified School District No. 443 did qualify as a low-risk auditee.

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

None noted

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year ended June 30, 2013

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS**

**Department of Education**

2013-01 Migrant Program - CFDA 84.011; Grant number 13M443; Grant period:  
Year Ended June 30, 2013

Condition: We examined the "Request for Federal Program Funds Form 240" noting the form was completed on a monthly basis. On the last request of the year the District estimated that they would have the same amount of expenses as their remaining allocation. However, the actual expenditures at the end of the year were significantly less than the estimate.

Criteria: Cash management requires that a recipient receiving advances implement procedures to minimize the time elapsing between the transfer of federal funds from the recipient and the time of cash disbursements for program purposes.

Cause: This occurred because District personnel requested the money to be drawn down but there were not appropriate plans to spend the funds.

Effect: Based on the above criteria, at June 30, 2013 the District had requested funds in excess of approved expenditures totaling \$119,621.

Recommendation: We recommend only drawing down funds for the following months expected expenditures.

Views of Responsible Officials: District personnel agree with the finding and have taken steps to correct it.

**Department of Agriculture**

2013-02 Child Nutrition Cluster - CFDA 10.553, 10.555, 10.559; Grant period:  
Year Ended June 30, 2013

Condition: An expenditure test was performed to determine that internal controls over the federal program were operating effectively and to test compliance with allowable costs. We noted that 3 out of the 24 (13%) expenditures tested did not have proper approval.

Criteria: The District has a policy in place that requires all expenditures to have proper approval before being paid.

Cause: Three invoices were paid without proper approval.

Effect: This could result in expenditures being made that are not allowable costs.

Recommendation: We recommend that proper approval be obtained before bills are paid.

Views of Responsible Officials: District personnel agree with the finding and have taken steps to correct it.

**UNIFIED SCHOOL DISTRICT NO. 443  
DODGE CITY, KANSAS**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Year ended June 30, 2013

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS**

None relative to federal awards